

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 H-01  
SS-15 NSC-05 /052 R

DRAFTED BY EB/OA/AVP:GGRIFFITHS:SP

APPROVED BY EB/OA:MHSTYLES

EB/OA/AVP:AJWHITE

ARA/ECP/ITE:DTAHER

ARA/CAR:FTUMMINA

CAB/BIA:AFISCH

CAB/BIA:CCOLDREN

-----082271 270407Z /16

P 262254Z AUG 77

FM SECSTATE WASHDC

TO AMEMBASSY BRIDGETOWN PRIORITY

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E.O. 11652: N/A

TAGS: EAIR, BB

SUBJECT: AMERICAN AIRLINES FARE INCREASE

REF: A) BRIDGETOWN 1999 B) BRIDGETOWN 2010

1. ARCHER CORRECT THAT PARA 8(B) OF MOU REQUIRES PRIOR APPROVAL BY BARBADOS ATLA BEFORE AA CAN ALTER FARES. HOWEVER, AA VICE PRESIDENT COLLINS ALSO CORRECT IN CITING DIFFICULTIES THAT PRICE ROLLBACK WOULD CREATE FOR RATE STRUCTURE ELSEWHERE IN CARIBBEAN.

2. BACKGROUND TO CURRENT AA RATE IS AS FOLLOWS: AIRLINES SERVING THE CARIBBEAN REACHED AGREEMENT IN IATA FOR RATE  
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ADJUSTMENTS AND THIS IATA AGREEMENT WAS SUBMITTED TO CAB FOR APPROVAL. THE BOARD, HOWEVER, DISAPPROVED THE AGREEMENT. THE AIRLINES THEN FILED TARIFFS INDIVIDUALLY WITH THE BOARD WHICH WERE RESPONSIVE TO THE BOARD'S OBJECTIONS TO THE IATA AGREEMENT AND THE BOARD APPROVED THESE TARIFF FILINGS. THE POINT TO EMPHASIZE IS THAT THESE TARIFFS CANNOT BE CONSIDERED IN ISOLATION; A CHANGE IN ONE WOULD

AFFECT RATE STRUCTURES ELSEWHERE IN THE CARIBBEAN. A

UNILATERAL FARE REDUCTION BY AA DEMANDED BY THE BARBADIANS  
WOULD UNDOUBTEDLY TRIGGER SIMILAR RESPONSES ELSEWHERE,  
AND COULD VERY LIKELY RESULT IN ANOTHER ROUND OF BEGGAR-  
THY NEIGHBOR TYPE FARE REDUCTIONS IN THE CARIBBEAN.

3. AS CONSEQUENCE THESE PRACTICAL PROBLEMS, EMBASSY  
SHOULD USE ITS GOOD OFFICES TO REQUEST BARBADIAN AUTHORI-  
TIES TO PERMIT AA TO CONTINUE OFFER CURRENT FARES IN US  
PENDING PROMPT AA SUBMISSION OF COST JUSTIFICATION DATA  
AND BARBADIAN EVALUATION OF THAT JUSTIFICATION. THE CAB  
BELIEVES THAT THE AA JUSTIFICATION IS SOUND.

4. IF AA JUSTIFICATION FOR FARE INCREASE NOT ACCEPTED  
BY ATLA AND BARBADIANS CONTINUE TO DEMAND AA STOP CHARGING  
HIGHER FARES, THEN USG WOULD WISH CONSULT WITH GOB TO  
ATTEMPT RESOLVE MATTER. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRLINES, AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 26-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE204977  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GGRIFFITHS:SP  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770310-0402  
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**Litigation History:**  
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**Message ID:** 79efdf51-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BRIDGETOWN 1999, 77 BRIDGETOWN 2010  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**SAS ID:** 1464122  
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**Status:** NATIVE  
**Subject:** AMERICAN AIRLINES FARE INCREASE  
**TAGS:** EAIR, BB, US, AMERICAN AIRLINES  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009